

# OFFICE OF AUDITS & ADVISORY SERVICES



## DEPARTMENT OF AGRICULTURE, WEIGHTS AND MEASURES OFFICERS' TRANSITION AUDIT

### *FINAL AUDIT REPORT*

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# County of San Diego

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September 2, 2011

**TO:** Lisa Leondis, Agricultural Commissioner/Sealer of Weights and Measures  
Agriculture, Weights and Measures

**FROM:** James L. Pelletier  
Chief of Audits

## **FINAL REPORT: DEPARTMENT OF AGRICULTURE, WEIGHTS AND MEASURES OFFICERS' TRANSITION AUDIT**

Enclosed is our report on the Department of Agriculture, Weights and Measures Officers' Transition Audit. We have reviewed your responses to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Kathleen Whitehead at (858) 495-5653.

If you have any questions, please contact me at (858) 495-5661.

*Synne Prizzia*

*for*

**JAMES L. PELLETIER**  
Chief of Audits

AUD:KMW:aps

Enclosure

c: Sarah E. Aghassi, Deputy Chief Administrative Officer, Land Use and Environment Group  
Donald F. Steuer, Chief Financial Officer  
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller  
Kathleen A. Flannery, Group Finance Director, Land Use and Environment Group

## INTRODUCTION

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### Audit Objective

The Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Department of Agriculture, Weights and Measures (AWM). The objective of the audit was to determine if there is reasonable assurance that the outgoing officer, Robert G. Atkins, and incoming officer, Lisa M. Leondis, took appropriate actions and filed complete and accurate reports as of May 26, 2011 in compliance with California Codes, County regulatory requirements, and County policies and procedures. These requirements were explained in the instruction letter provided to each officer.

### Background

The County Charter requires that the OAAS conduct such an audit when County officers leave or assume office to determine if certain affidavits, authorizations, disclosures, and reports are properly completed and processed. These actions provide for an orderly transition of officers, establish proper accountability for public assets and promote the County's General Management System (GMS), including its key disciplines of accountability/transparency, fiscal stability, and continuous improvement.

### Audit Scope & Limitations

The reports are the responsibility of the officer who signs them. The OAAS' responsibility is to provide an opinion on the reports based upon the audit.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

### Methodology

OAAS reviewed all the reports filed by the outgoing and incoming officers and obtained supporting documentation to test completeness and accuracy of the reports.

## AUDIT RESULTS

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### Summary

In our opinion, there is reasonable assurance that the outgoing and incoming officers filed complete and accurate reports in compliance with California Codes, County regulatory requirements, and County policies and procedures in connection with an officer's transition, except for the following:

### Finding I:

#### **Minor Equipment Procedures Could be Improved**

OAAS tested a sample of 45 minor equipment items and obtained reasonable assurance that the Minor Equipment and Books Inventory Certificates (AUD Form 501) are accurately presented. However, the following areas can be improved:

- **Asset Sighted But Not Recorded.** During a walkthrough of the Standards and Enforcement Division, OAAS sighted two items, a sink with a cost of \$1,358 and a test bench with a cost of \$2,235 which were not recorded on the minor equipment listing.

- **Missing Minor Equipment Decals.** Out of 45 minor equipment items sampled, 16 items (36%) had no minor equipment “County of San Diego” decals affixed to them. Additionally, the test bench noted above as sighted but not recorded was missing a minor equipment decal, and had old numbered capital asset tags affixed to the asset.

Improved training and monitoring could eliminate these errors in the future. While the exceptions noted were immaterial in relation to the total minor equipment amount tested, more rigorous controls over minor equipment will help to ensure that County property is safeguarded from loss and misappropriation.

Pursuant to COSD Admin Manual Policy 0050-02-1, department heads are required to maintain listings of minor equipment items for which they are responsible, adding new items as they are received and deleting items that are disposed of or no longer in use. Lists should identify the quantity and nature of the minor equipment items, their location, and assigned value. Additionally, Section M (Asset Identification and Marking) of COSD Admin Manual Policy 0050-02-01 (Control of Capital Assets and Minor Equipment) states that departments should establish a control system over minor equipment and affix unnumbered “County of San Diego” decals to these assets.

#### Recommendation:

To improve accuracy and reliability of minor equipment reporting, AWM should:

1. Strengthen controls over the physical inventory process. This includes, but is not limited to:
  - a) Designing and implementing new controls such as a review/approval by operational manager accountable for assets, and/or spot-checking the counts by AWM staff;
  - b) Enhancing training to staff conducting the physical inventory, including how to assess completeness and accuracy of inventory counts; and
  - c) Making the necessary adjustments to the minor equipment listings following a triennial inventory or as noticed.
2. Add the assets from the minor equipment listing for the assets noted above as sighted, but not recorded.
3. Ensure that all minor equipment items have unnumbered “County of San Diego” decals affixed to them and old capital asset tags are removed.

#### Office of Audits & Advisory Services

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## **DEPARTMENT'S RESPONSE**



LISA M. LEONDIS  
AGRICULTURAL COMMISSIONER/  
SEALER OF WEIGHTS & MEASURES

## County of San Diego

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August 29, 2011

RECEIVED

AUG 31 2011

TO: James L. Pelletier  
Chief of Audits

OFFICE OF AUDITS &  
ADVISORY SERVICES

FROM: Lisa Leondis, Agricultural Commissioner/Sealer of Weights and Measures  
Agriculture, Weights and Measures

### DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: DEPARTMENT OF AGRICULTURE, WEIGHTS AND MEASURES OFFICERS' TRANSITION AUDIT

#### **Finding I:** Minor Equipment Procedures Could be Improved

**OAAS Recommendation:** To improve accuracy and reliability of minor equipment reporting, AWM should:

1. Strengthen controls over the physical inventory process. This includes, but is not limited to:
  - a) Designing and implementing new controls such as a review/approval by operational manager accountable for assets, and/or spot-checking the counts by AWM staff;
  - b) Enhancing training to staff conducting the physical inventory, including how to assess completeness and accuracy of inventory counts; and
  - c) Making the necessary adjustments to the minor equipment listings following a triennial inventory or as noticed.
2. Add the assets from the minor equipment listing for the assets noted above as sighted, but not recorded.
3. Ensure that all minor equipment items have unnumbered "County of San Diego" decals affixed to them and old capital asset tags are removed.

**Action Plan:** The Department of Agriculture, Weights and Measures agrees with the finding that our minor equipment procedures could be improved. Our action plan to ensure accurate accounting of minor equipment is as follows:

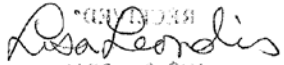
- Develop procedures and controls for minor equipment inventories.
- Train responsible staff and managers on procedures.
- Add the assets that were sighted but not listed to the database.
- Remove old capital asset tags that are not applicable anymore.

**Planned Completion Date:** September 30, 2011

James L. Pelletier  
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**Contact Information for Implementation:** Sandy Parks, Deputy Director, (858) 614-7703.

If you have any questions, please contact me at (858) 694-2741.



Lisa Leondis  
Agricultural Commissioner/Sealer of Weights and Measures

LL:SP:mp